The [American Supply Association (ASA)] and its [Industrial Piping Division (IPD)] is the national organization serving wholesaler-distributors and their suppliers in the industrial and mechanical pipe-valve-fitting industry. As a powerful alliance of channel partners, we provide a forum for your upstream trading partners to exchange critical information and address key issues.

In particular, ASA's IPD members constantly check the pulse of the materials and commodities they proudly supply to you. ASA's IPD members are knowledgeable industry leaders, and those who volunteer their service on the IPD Executive Council compile and prepare the *IPD Commodity Reports.* The *Reports* contain some of the most current and qualified market data and information available from the industry's leading manufacturers and distributors about emerging trends and other price-influencing actions and events.

This information is an example of how ASA's IPD manufacturer and distributor members are constantly looking ahead to ensure you have information and resources you need to be successful. Learn more at www.asa.net.

Oil and Fuel Outlook

As mentioned last month, oil prices are trading in a $10 volatility range and are being buffeted by daily news headlines tied to the Middle East and now Ukraine. In addition to new closures of the Strait of Hormuz and strikes extending into the Red Sea once again, Ukrainian strikes on regional refinery and pipeline infrastructure have throttled Russian flows into the global community.

Nearly $12 million barrels per day of throughput out of the Middle East were being disrupted at the time of writing. The global community reportedly had less than 3-4 million barrels per day of excess capacity to fill that gap. Most international oil traders are closely monitoring strategic stockpiles of oil which continue to get depleted. Once they hit operational minimums, the SPR "pressure relief valve" will not work any longer and oil prices would get even more volatile.

West Texas Intermediate (WTI) was higher month-over-month at the time of writing, which was down from recent July peak levels. Oil was trading at $83.95 ($73.33 a barrel in last month's report) but had recently hit $93.00 in recent weeks. This current level is still 46.1% higher year-to-date but was just 28.7% higher vs. this time last year (7.1% higher last month). Brent North Sea Crude was also higher at $90.62 ($77.17 a barrel last month). This was up 48.6% YTD and was 32.1% higher over the past 12 months.

Fuel prices were following crude oil input prices higher. Diesel prices were higher at $5.30 a gallon at the time of writing ($5.00 a gallon in the last briefing) (Source: AAA) which was $1.56 per gallon higher than last year. Gasoline prices have risen and were $4.11 a gallon ($3.92 per gallon in last month's briefing), which is 97 cents per gallon higher than last year ($.70 higher last month).

The EIA's latest forecast and outlook for 2026 crude oil prices were caught between renewed fighting in the Middle East and ongoing peace talks. For 2026, the EIA continues to reduce its forecast – oil prices are expected to average $76.26 for the year ($88.32 a barrel in the last forecast and against the 2025 average of $65.40). The EIA expects prices to average $71.06 in Q3, and $66.00 in Q4 2026. Again, expect that the forecast from the EIA will continue to be volatile given how quickly conditions across various conflicts are changing.

For refined fuels, the gasoline price forecast shows them much lower in 2026 (again the timing on the release of the forecast is creating these low expectations), falling to $3.64 per gallon ($3.90 last month and against the full-year average of $3.10 in 2025) and followed up by $3.09 next year. Prices were expected to average $3.80 in Q3, and $3.39 in Q4 of 2026. Again, with gasoline prices currently at $4.11 nationwide, most expect the EIA to once again adjust their forecast in the August report.

Retail diesel prices as reported by the EIA show them averaging $4.61 a gallon in 2026 ($4.87 in the last update) and $4.02 in 2027 after averaging $3.66 in 2025. Prices are expected to average $4.64 in Q3, and $4.39 in Q4 of 2026. Again, current prices are $5.29, there will be some adjusting of prices in the next outlook.

The EIA forecast shows 2026 US crude oil production will be higher at 13.78 Mbpd in 2026 (13.72 Mbpd in the last update). For 2027, it expects production to ease to 14.03 Mbpd (down from 14.15 Mbpd in the last forecast).

Total commercial inventories according to the EIA show them pulled lower at a forecasted average of 1.256 billion barrels in 2026 (from 1.258 billion barrels in the last forecast) and 1.291 in 2027 (1.294 in the last forecast). Inventories ended 2025 at 1.286 billion, nearly 300 million higher than current 2026 expectations.

What ASA PVF Distributors Are Saying

Each month ASA and the Industrial Piping Division ask distributors doing business in the industrial and mechanical PVF sector for their thoughts on current conditions and trends they are seeing:

"The past two months have delivered record-setting revenue results, making this one of the strongest periods in company history. Extended summer heat has fueled HVAC demand and driven strong sales growth, while our core business remains steady and resilient. Our order backlog is healthy, providing good visibility into future activity and quote volume continues to be strong, reflecting an active pipeline of customer opportunities. As we move further into the second half of the year, our primary concern remains the ongoing margin pressure we are experiencing, as some product offerings continue to face aggressive competition that feels like a race to the bottom. Despite these challenges, overall business conditions remain favorable, supported by seasonal demand and the strength of our core business."

"We have noticed a little slowdown in the volume of large commercial projects that we are quoting. However, on the positive side, we are shipping a bigger volume of rough-in materials for multi-family and are seeing a small uptick in shipments of rough materials for new homes. Overall, our plumbing is ahead, however June was about the same as last year. We have an increase in our PVF/industrial business. Overall, still running slightly above last year, however, seeing that softness in the market."

"This is the usual July 'vacation month' slowdown at our industrial customers. Our large EPC construction activity remains very active. Our sales are up 5 percent YTD with solid activity in all industrial markets. With the assistance of AI, we have identified and are focused on securing a relationship with the 'largest' accounts in our New England and New York territory, who are not current customers."

"Market conditions are extremely competitive as several larger regionals are moving into the area and bringing lower prices from other regions. Manufacturers are battling for business and in some cases lowering our pricing (plastic), which devalues our inventory. The market remains relatively strong, though our governor has put a moratorium on data center work. Our sales are down slightly. An NFL stadium in our market is complete and that was a large part of our billing last year. In addition, so many projects are delayed. Jobs that were supposed to start in May are now starting in October or next year. Unfortunately, we ordered material for our customers to beat price increases, etc., and the material sits on our shelves. We have strong back logs, but this significantly impacts cash flow."

Stainless Steel Fittings Update

The market remains focused on data center business as the most dominant consumer of specific size items. While there are some states like New York signing moratoriums on new builds, the other states that welcome the construction will benefit. There is more focus on power for these centers, which cannot operate without that energy. The power sector will be benefiting in unity with the data center buildouts.

Cast-Iron

Effective July 1, 2026, Anaco-Husky implemented a 3% list price increase for Anaco Standard No-Hub Couplings, Husky 2000, 4000, 4200, 7000 series couplings, and list SWG-0725 NAT gaskets. At this time, there were no announced price changes for cast iron pipe and fittings from Charlotte Pipe and/or McWane (Tyler) at this time.

Copper

The copper Comex closed earlier this week at \$6.3390/LB. The Comex average year-to-date price is at \$6.0141/LB.

Construction & Demand

• Data center construction continues to be the strongest source of demand, driving consumption of copper, steel, and electrical products.
• Infrastructure spending remains supportive, while private commercial construction continues to experience selective delays due to higher project costs.
• Construction cost inflation remains elevated, fueled by tariffs, labor shortages, and higher energy costs.
• Contractors continue reporting healthy bid activity, although project owners remain cautious on timing and capital spending.

Manufacturing / Industrial Activity

•Manufacturing activity remains generally resilient, supported by infrastructure investment, domestic industrial spending, and AI-related projects.
• Industrial demand continues to outpace many traditional commercial construction segments.
• Input costs remain a larger concern than overall demand, with companies closely monitoring material pricing and availability.
• Supply chains remain stable overall, though some specialty products continue to experience longer procurement timelines.

Steel & Commodity Pricing

• Copper prices moved higher during July as strong global demand, low inventories, and tariff uncertainty tightened supplies.
• Steel prices remain elevated but are beginning to show signs of stabilizing, with expectations for gradual easing later this year if demand moderates.
• Aluminum prices softened from June highs as Middle East production recovered and shipping conditions improved, although geopolitical risks remain.
• Energy prices have eased from recent spikes but continue to create uncertainty for freight and manufacturing costs.

Market Risks / Watchouts

• Tariff policy remains the largest source of market uncertainty, influencing purchasing strategies and long-term pricing decisions.
• Geopolitical tensions continue to pose upside risks for energy, transportation, and industrial commodity costs.
• Copper supply remains especially tight due to strong demand and limited inventories, increasing the potential for additional price volatility.
• Businesses continue monitoring commodity inflation, supply chain disruptions, and project timing as key risks heading into the second half of 2026.

This month's update is a little less about weakening demand and more about persistent cost pressures. Compared with June:

- **Copper:** More bullish (prices strengthened further).
- **Steel:** Still elevated, but stabilizing rather than continuing to climb.
- **Aluminum:** Improved from June as supply recovered.
- **Construction:** Data centers remain the clear growth engine.
- **Biggest concern:** Tariffs and geopolitical uncertainty have overtaken supply chain disruptions as the primary market risk.